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E.O. 12958: DECL: 01/08/2019
TAGS: [ECON](#) [EFIN](#) [ELAB](#) [BF](#)
SUBJECT: NASSAU-WYNDHAM TO CLOSE FOR TWO MONTHS AND HOTEL
LAYOFFS CONTINUE

REF: A. 07 NASSAU 765
[1](#)B. 07 NASSAU 796
[1](#)C. 07 NASSAU 832

Classified By: DCM Tim Zuniga-Brown for reasons 1.4(b) and (d).

[1](#)1. (U) On January 6 the Wyndham Nassau Resort and Crystal Palace Casino announced they will close from August 17 - October 5 (the bottom of the slow season) in order to cut costs during the economic crisis. Tourist arrival numbers and hotel occupancy rates dropped during the last three months of 2008 following the economic downturn in the U.S. Nearly 1000 employees were laid off from hotels throughout The Bahamas in late 2008 (reftels B and C) and another 21 employees were laid off from the Comfort Suites Hotel on Paradise Island on January 5. The Bahamas Hotel Association reported a 37.7% drop in total room revenues and a 6.3% drop in night room rates in September 2008, adding that such a sustained occupancy drop has not been seen before.

[1](#)2. (C) Baha Mar Senior Vice President and Bahamas Hotel Association President Robert Sands told econoff the decision to close the Wyndham Resort for two months was based on analysis conducted in 2008 to minimize losses and prevent further layoffs. Sands noted that plans may need to be changed if tourism levels continue to decline and that the "forecast is showing shortfalls already." Sands indicated the drop in group reservations at the Wyndham has had a significant negative impact on business. He reported a 25 to 30 percent drop in groups during the last three months of [1](#)2008. Although resorts throughout the island nation were at near full occupancy levels during the Christmas and New Year holidays, Sands noted that "one week is not enough to make up for one year."

SIEGEL